

SUMMARY OF PROCEEDINGS  
REAL ESTATE LICENSE COMMISSION  
STATE OF HAWAII  
205 Empire Bldg., Honolulu, Hawaii

MAY 24, 1960

The Chairman, Mr. AARON M. CHANEY, called the meeting to order at 10:00 a.m.

Present were:    Aaron M. Chaney, Chairman  
                  Dorothy S. Ahrens, Member  
                  James C. Ching,    Member  
                  Yukio Kashiwa,    Member  
                  Erling P. Wick,    Member  
                  Hirotooshi Yamamoto, Member  
                  Robt E. Bekeart, Executive Secretary  
                  Tenny Hoon Tom, Counsel (in part)  
                  Dick H. Okaji, Investigator (in part)  
                  Andrew Ono, Special Investigator (in part)  
                  Hannah Furuta (recording secretary)

ORDER OF BUSINESS

MINUTES OF PREVIOUS MEETING

The minutes of the meeting of April 19, 1960 were approved as circulated.

FISCAL REPORT

The financial report for the month of April 1960 was accepted.

CONFIRMATION OF NEW LICENSES ISSUED CORPORATIONS

It was moved, seconded and carried that brokerage licenses issued corporations under tentative approval, on the dates indicated, by the Executive Secretary be officially approved, as follows:

KILA REALTY, INC.	Peter A. Aduja, Prin. Bkr	5/4/60
McQUERRY REALTY, INC.	Norton B. McQuerry, " "	5/26/60
ISLAND LIVING, INC.	Robert E. Paine, " "	5/26/60

CONFIRMATION OF FICTITIOUS NAMES

It was moved, seconded and carried that the following DBA's tentatively approved by Executive Secretary on the dates indicated be formally confirmed:

Albert V. Vincent	dba TROPIC SHORES REALTY	5/6/60
James J. Tsutsui	dba ASSOCIATED REALTY	4/26/60
Volney "Joe" A.K. Howard	dba HOWARD REALTY	5/6/60
Lillian H. Corey	dba COREY REALTY	5/18/60

EXECUTIVE SECRETARY offered the suggestion that policy be adopted requiring from corporations applying for brokerage license a copy of their official minutes ruling on a resolution and a copy of the resolution designating the name of their principal broker, duly signed by an officer of the corporation and affixed with the corporate seal, before a license is issued. The same documents would be required in the reissuance of a corporation certificate due to change in principal broker. This would preclude a change in principal brokership without the knowledge of all officers and directors of a corporation.

After a brief discussion it was moved, seconded and carried that such an administrative policy be established as part of our licensing process for corporations.

#### PERSONNEL

A. New Position of Typist I, SR-4:

EXECUTIVE SECRETARY informed the Commission that a request to establish this new position has been submitted to the department head and that there are certain departmental clearances to be made before position may be filled.

C. RELCO Staff Vacation Schedule

It was the general feeling of the Commission that staff should use as much of the allotted vacation time each year for the morale, general well being and efficiency of the employees. The EXECUTIVE SECRETARY was directed to keep the staff's accumulation of vacation days down to a minimum. Staff was instructed to study the schedule and work load for the balance of the year and work out a feasible vacation schedule. EXECUTIVE SECRETARY offered the explanation that they heavy workload in the past five years coupled to a small staff did not permit the employees to take regular vacations, but that with the additional hire the situation could be corrected.

#### EQUIPMENT

A. Conference Table and Chairs

EXECUTIVE SECRETARY informed the Commission that staff has inquired into the procurement of this item but no purchase order has been issued to date.

The members expressed dissatisfaction with the meeting room facilities at 207 Empire Building due to the intolerable heat and noise from the street traffic and inadequate seating during formal hearings. CHAIRMAN suggested that the meeting room be sound-proofed, air conditioned and generally made more livable or that other facilities be used for meetings and hearings. Several sites were mentioned and EXECUTIVE SECRETARY was directed to inquire as to the availability of other facilities for this purpose.

Control Counter and Stationery Shelf

EXECUTIVE SECRETARY reported on request made to contractor and that a quotation was expected momentarily.

ENFORCEMENT

GRASS SHACK VILLAGE OF HAWAII

CHAIRMAN directed staff to press the Attorney General's Department for reply as to the legality of their operations as the attorney for this entity has been persistent in his request for reply to his letter of March 18, 1960, and that we should settle this matter before the situation becomes more involved.

STATUS OF DANIEL L. ABDUL (S)

It was moved by MR. WICK, seconded and carried that in view of the fact that Mr. Abdul's conviction on 7 counts to file income tax returns by the U.S. District Court in Honolulu, upheld by the Ninth Circuit Court of Appeals, has been appealed to the U.S. Supreme Court, this matter be deferred until such time as a decision is passed on the appeal.

The CHAIRMAN has gone on record to refrain from participating in discussions or voting on this issue because of his interest in a transaction involving Mr. Abdul during his service with COOKE TRUST COMPANY where this file was his responsibility as a trust officer.

Counsel TENNY HOON TOM advised Commission that failure to file income tax reports in some cases has been ruled a violation involving moral turpitude and in other cases as not involving moral turpitude depending on the merits of the case, but that should the Commission take action on the license status of the respondent based on his conviction for failure to file tax returns Commission must be prepared to defend its decision.

REAL ESTATE LICENSE COMMISSION VS VIOLET C. KING

Counsel TENNY HOON TOM advised Commission that procedure is now to render decision on each of the violations charged the respondent broker and support the decisions by citing sections of the transcript of testimonies pertinent thereto. A form was provided each member to list the facts established by the testimonies.

EXECUTIVE SECRETARY read a letter received from Mr. Honorio Badajos dated May 4, 1960 informing Commission that Violet C. King has, through her counsel, returned to him the \$5,500.00 down payment and that he wished to withdraw his complaint of February 11, 1960. Investigator established the fact that this letter was written at the request of the counsel upon Mr. Badajos' claiming the money.

Commission proceeded to discuss each violation for uling. Due to the time consuming procedure and the fact that only one copy of transcript was available, it was decided that the staff prepare the facts and present same to the Commission for action at the next meeting. This decision was also to afford Hawaii member Charles C. Cross to be present at the conclusion of this case.

A PLACE TO STAY, LTD

Andrew Ono, Special Investigator, hired under contract as of May 19, 1960 was introduced. The Chairman reported on the special circumstances of Mr. Ono's employment and emphasized that Mr. Kashiwa, the Attorney General, suggested that this investigation was too involved for his staff and he felt it would be in the public's interest for the Commission to employ a person of Mr. Ono's training and experience as a legal expert to conduct this investigation of the A PLACE TO STAY and HAWAIIAN MONARCH operations.

The CHAIRMAN reported the possibility of hiring a special investigator was discussed with the Oahu members and they concurred in the Attorney General's suggestion to the Chairman. The conditions of the contract were relayed by telephone to all neighboring islands members and they unanimously confirmed the Chairman's action.

Mr. ONO reported that the books of A PLACE TO STAY, LTD have been obtained and are now being scrutinized by accountants at the State Tax Office, Field Audit Division under the guidance of Mr. Tokushige. The progress of the investigation, he reported, is still very formative as the books had been very poorly kept. Mr. Ono displayed a chart showing the chronological development and relationship of the various corporations proximate to A PLACE TO STAY, LTD, its directors and officers. The chart is merely for investigatory purposes. Although the chart shows overlapping of personalities, he was not ready to give an elaborate explanation, such being premature at this time.

Mr. ONO also emphasized the fact that the "Walina Project" and the "Hawaiian Monarch" could possibly be identical, and noted the fact that payments made on these respective projects do over-lap and deposits simultaneously received by A PLACE TO STAY.

He concluded by stating that the next phase of the investigation would be geared to tracing the deposits made on the "Hawaiian Monarch" and to establish the flow of moneys so received.

The EXECUTIVE SECRETARY reported on the action of May 6, 1960 wherein he personally delivered a letter to Mrs. Elsie Lui-Kwan notifying her that the Commission administratively suspended her broker's license No. 3953 and that at the same time the broker license No. 4219 issued to A PLACE TO STAY, LTD was similarly suspended. He reported on later considerations advanced by the Attorney General in conference that it would be to the public's interest to see that property management functions of A PLACE TO STAY, LTD would continue while the investigation was underway. The EXECUTIVE SECRETARY stated his proposal to the Attorney General of authorizing Lowell Christensen, Sales Manager, ISLAND HOMES, to monitor - in the capacity of Principal Broker of A PLACE TO STAY, LTD - the property management accounts. The interest of the HONOLULU REALTY BOARD in recommending that Mr. Christensen be authorized to perform this additional duty was reported on.

The discussion on the A PLACE TO STAY, LTD problem closed with the EXECUTIVE SECRETARY reporting that the Commission, or himself in the capacity as its administrative officer, has been in constant communication with the Attorney General in any area where a decision by the regulatory commission had to be made. The CHAIRMAN stated that he strongly believes that all members, plus the staff, should refer all inquiries to the problem under investigation directly to the Attorney General for Mr. Kashiwa's statement(s).

The Commission recessed for lunch at 12:05 p.m.

After recess, meeting was resumed at 1:25 p.m.

#### HONOLULU REALTY BOARD'S SPECIAL COOPERATIVE APARTMENTS COMMITTEE

Mr. Philip W. Won, President, Honolulu Realty Board, arrived at the invitation of the Chairman and was introduced. He stated the Board was interested in seeking the cooperation of the Commission to work with a special committee of the Honolulu Realty Board to study the cooperative apartments situation. He proposed the appointment of a representative from the Commission to sit with the committee. Mr. Won reported that a press story was being released this date noting that a special committee was being structured with representation solicited from brokers, developers, Commission and other interested parties. The members expressed their serious concern on the advisability of publicity of this nature. Mr. KASHIWA and Mr. YAMAMOTO expressed their doubts that the timing of such public information action was in good taste. The Commission stated to Mr. Won they would nominate their representative but it must be understood that he would have no vote but would merely observe.

#### IRENE WISKOW CASE

CHAIRMAN gave a brief review of the complaints, oral and written, received by the Commission and circumstances of the licensee's personal background and problems. It was decided that a formal hearing should be announced on charges of negligence and comingling of funds, based on three written complaints received. The EXECUTIVE SECRETARY stated that the construction of a good case against the licensee may present problems as she has filed a complaint with the Honolulu Police Department alleging that her office has been burglarized and many important documents and papers have been destroyed or are declared missing.

#### CASE OF JERRY YAMAKI

EXECUTIVE SECRETARY reported on complaints received on this non-licensed person who has held himself out as owner of Waipahu property actually owned by Hugh Robertson and Elizabeth Robertson T/E and transacting to sell real estate. He requested Commission's approval to turn this matter over to the City Prosecutor's Office as this non-licensee does not come within the jurisdiction of this office.

#### SECOND EXAMINATION OF 1960

EXECUTIVE SECRETARY informed Commission that an airtight application form is being worked out upon decision of Commission on April 19 to revise and improve

the present application forms. Inasmuch as it does not appear that the applications will be printed in sufficient time to allow applicants to return same before June 8, the closing date announced for the July examinations, the deadline for filing was extended to June 22, 1960. The examination dates will remain as originally scheduled.

#### FINGERPRINTING PROCEDURE

Mr. KASHIWA suggested that the staff work out the mechanics for fingerprinting procedure and submit same to Commission for approval.

#### LATE FILING FEE

CHAIRMAN suggested charging a late filing fee to accommodate applicants who do not submit an application on time but need to obtain license to make a livelihood. This suggestion was disapproved as not feasible.

#### EXAMINATION SITES

July 16, 1960 was agreed as the date for both salesman and broker examinations on the neighboring islands. Mrs. AHRENS recommended the Supervisors' board room in Lihue be used to hold the Kauai examination. Mr. Wick suggested the use of the board room in Wailuku to conduct the Maui examination.

CHAIRMAN expressed dissatisfaction with the facilities at Farrington High School Cafetorium to hold a large group of examinees because of the lack of parking facilities, noise, and crowding. He instructed staff to explore the possibility of using the facilities at the University of Hawaii or other suitable sites for holding examinations.

#### POST EXAMINATION CRITIQUE

Mr. WICK and MRS AHRENS had similar inquiries from applicants on multiple choice SALESMAN's question No. 72 regarding home exemption claim. Staff was directed to inspect this question and determine if there was a mechanical error in selecting the correct answer.

Question was raised on the propriety and grammatical correctness of Broker question #17. After some discussion it was agreed that this question be retained but that it be reworded for use in future examinations.

#### QUORUM FOR MEETINGS

In the absence of language providing for quorum for a meeting in the reorganization act, it was moved, seconded and carried that any four members would provide for a quorum except for extenuating circumstances such as a formal hearing. CHAIRMAN instructed staff that on absence of neighbor island members to emergency meeting on Oahu, immediate telephone or written report be made to absent members for comment and approval on any decision at such meetings.

May 24, 1960

Page seven

EXECUTIVE SECRETARY announced that agenda will be closed one week before date of meeting to allow staff to prepare agenda and supporting data, with the exception of agenda items offered by neighbor island members.

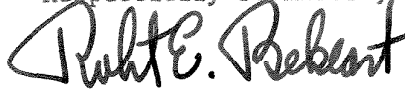
DATE OF NEXT MEETING

It was agreed that the next meeting of the Commission be scheduled for Thursday, June 16, 1960, at 9:00 a.m.

ADJOURNMENT

The meeting was adjourned at 3:30 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Ruhl E. Bebert". The signature is written in a cursive, flowing style with a large initial "R".

Executive Secretary